

WHITEFORD TOWNSHIP

MONROE COUNTY

STATE OF MICHIGAN

FINANCIAL STATEMENTS AND AUDITORS' REPORT

Fiscal Year Ended June 30, 2008

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

| | | | |
|---|--|---------------------------|--------------------|
| Unit Name* WHITEFORD TOWNSHIP | County* MONROE | Type* TOWNSHIP | MuniCode* 58-1-150 |
| Opinion Date-Use Calendar* Nov 28, 2008 | Audit Submitted-Use Calendar* Dec 12, 2008 | Fiscal Year End Month* 06 | Fiscal Year* 2008 |

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

| | |
|---------------------------------------|--|
| <input checked="" type="checkbox"/> ? | 1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements? |
| <input checked="" type="checkbox"/> ? | 2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets? |
| <input checked="" type="checkbox"/> ? | 3. Were the local unit's actual expenditures within the amounts authorized in the budget? |
| <input checked="" type="checkbox"/> ? | 4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury? |
| <input checked="" type="checkbox"/> ? | 5. Did the local unit adopt a budget for all required funds? |
| <input checked="" type="checkbox"/> ? | 6. Was a public hearing on the budget held in accordance with State statute? |
| <input checked="" type="checkbox"/> ? | 7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division? |
| <input checked="" type="checkbox"/> ? | 8. Has the local unit distributed tax revenues that were collected for another taxing unit, timely as required by the general property tax act? |
| <input checked="" type="checkbox"/> ? | 9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy? |
| <input checked="" type="checkbox"/> ? | 10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin)? |
| <input checked="" type="checkbox"/> ? | 11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.) |
| <input checked="" type="checkbox"/> ? | 12. Is the local unit free of repeated reported deficiencies from previous years? |
| <input type="checkbox"/> ? | 13. Is the audit opinion unqualified? |
| | 14. If not, what type of opinion is it? Qualified |
| <input type="checkbox"/> ? | 15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)? |
| <input checked="" type="checkbox"/> ? | 16. Has the board or council approved all disbursements prior to payment as required by charter or statute? |
| <input checked="" type="checkbox"/> ? | 17. To your knowledge, were the bank reconciliations that were reviewed performed timely? |
| <input type="checkbox"/> ? | 18. Are there reported deficiencies? |
| | 19. If so, was it attached to the audit report? |

| | |
|----------------------------|-------------------|
| General Fund Revenue: | ? \$ 1,017,095.00 |
| General Fund Expenditure: | ? \$ 527,165.00 |
| Major Fund Deficit Amount: | \$ 0.00 |

| | |
|--|-----------------|
| General Fund Balance: | ? \$ 311,833.00 |
| Governmental Activities Long-Term Debt (see instructions): | ? \$ 401,751.00 |

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

| | | | | |
|---------------------------------------|-------------------------------------|--------------------------------------|-------------------|------------------------------|
| CPA (First Name)* DAVID | Last Name* WALTERS | Ten Digit License Number* 1101013521 | | |
| CPA Street Address* 116 W. ADRIAN ST. | City* BLISSFIELD | State* MI | Zip Code* 49228 | Telephone* +1 (517) 486-4371 |
| CPA Firm Name* DAVID W. WALTERS, P.C. | Unit's Street Address* 4654 W. ERIE | Unit's City* TEMPERANCE | Unit's Zip* 48182 | |

TABLE OF CONTENTS

| | Page |
|---|-------|
| Auditors Report | 1 |
| Combined Balance Sheet - All Fund Types and Account Groups | 2-3 |
| Combined Statement of Revenues Received, Expenditures Paid and Changes in Fund Balances - All Governmental Fund Types | 4-5 |
| Combined Statement of Revenues Received, Expenditures Paid and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds | 6-9 |
| Combined Statement of Changes in Assets and Liabilities - All Agency Funds | 10 |
| Notes to Financial Statements | 11-14 |
| Independent Auditor's Report on Compliance with Laws and Regulations Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | |
| Comments and Recommendations | |



116 WEST ADRIAN STREET • BLISSFIELD, MICHIGAN 49228 • (517) 486 - 4371 • FAX (517) 486 - 4372

Board of Trustees
Whiteford Township
Monroe County, Michigan

We have audited the financial statements of Whiteford Township, as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Township prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Michigan, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of Whiteford Township, as of June 30, 2008 and the revenues received and expenditures paid for the year then ended on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the governing body and management of Whiteford Township and for filing with the State of Michigan. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

David W. Walters, PC

November 28, 2008

Whiteford Township
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 2008

| | Governmental Fund Types | | |
|---|----------------------------|-----------------------|------------------|
| | General | Special Assessment | Debt Services |
| Assets | | | |
| Cash in bank | \$ 316,950 | | 183,112 |
| Due from other funds | | 502 | |
| Land | | | |
| Building | | | |
| Equipment | | | |
| Vehicles | | | |
| Amount available for debt service | | | |
| Amount to be provided for retirement of general long-term debt | | | |
| Deferred interest | | | |
| Total Assets | \$ 316,950 | 502 | 183,112 |
| Liabilities and Fund Balance | | | |
| Liabilities | | | |
| Notes and lease payable (Note 4) | \$ | | |
| Due other funds | | 502 | |
| Due other governmental agencies | | | |
| Deposits | | 4,615 | |
| Total Liabilities | | 5,117 | |
| Fund Balance | | | |
| Investment in general fixed assets | | | |
| Reserved | | 502 | 183,112 |
| Unreserved: | | | |
| Designated | 168,548 | | |
| Undesignated | 143,285 | | |
| Total Liabilities and Fund Balance | \$ 316,950 | 502 | 183,112 |

The notes to the financial statements are an integral part of this statement.

| | | Fiduciary Fund Type | Account Groups | | Total |
|--------------------|--------------------|------------------------|-------------------------|---------------------------|----------------------|
| Special Revenue | Building & Site | Trust and Agency | General Fixed Assets | General Long Term Debt | (Memorandum Only) |
| 391,198 | 168,000 | 48,417 | | | 1,107,677 |
| | | | | | 502 |
| | | | 540,273 | | 540,273 |
| | | | 1,427,288 | | 1,427,288 |
| | | | 467,765 | | 467,765 |
| | | | 986,057 | | 986,057 |
| | | | | 183,112 | 183,112 |
| | | | | 215,493 | 215,493 |
| | | | | 3,146 | 3,146 |
| <u>391,198</u> | <u>168,000</u> | <u>48,417</u> | <u>3,421,383</u> | <u>401,751</u> | <u>4,931,313</u> |
| | | | | 401,751 | 401,751 |
| | | | | | 502 |
| | | 48,417 | | | 48,417 |
| | | | | | 4,615 |
| | | 48,417 | | 401,751 | 455,285 |
| 391,198 | | | 3,421,383 | | 3,421,383 |
| | | | | | 574,812 |
| | | | | | 168,548 |
| | <u>168,000</u> | | | | <u>311,285</u> |
| <u>391,198</u> | <u>168,000</u> | <u>48,417</u> | <u>3,421,383</u> | <u>401,751</u> | <u>4,931,313</u> |

Whiteford Township
Combined Statement of Revenue Received, Expenditures Paid and Changes in Fund Balance
All Fund Types and Account Groups
Year Ended June 30, 2008

| | Governmental Fund Types | | |
|--|-------------------------|--------------------|-----------------|
| | General | Special Assessment | Special Revenue |
| Revenues Received | | | |
| Taxes | \$ 268,748 | 2,072 | 378,372 |
| Licenses & permits | 44,920 | | |
| State revenue sharing | 302,219 | | |
| Interest and penalties | 17,543 | | 9,677 |
| Cemetery fees | 18,400 | | |
| Services & other | 111,345 | | 4,887 |
| Restricted gifts - park | 120,596 | | |
| Sand & stone removal fees | 77,990 | | |
| Collection fees | 55,334 | | |
| Total revenues received | <u>1,017,095</u> | <u>2,072</u> | <u>392,936</u> |
| Expenditures Paid | | | |
| General government | 275,932 | | |
| Zoning and planning | 2,481 | | |
| Health & welfare | 129,209 | | |
| Recreation | 2,236 | | |
| Cemetery | 37,471 | | |
| Road maintenance | | | 386,301 |
| Public safety | 50,734 | 2,072 | 76,777 |
| Legislative | 29,102 | | |
| Debt service interest (Note 4) | | | |
| Principal retirement | | | |
| Total expenditures paid | <u>527,165</u> | <u>2,072</u> | <u>463,078</u> |
| Excess Revenues (Expenditures) | 489,930 | | (70,142) |
| Other Financed Sources (Uses) | | | |
| Transfers from other funds (Note 2 & 3) | | | 461,340 |
| Transfers to other funds (Note 3) | (1,302,961) | | |
| Excess of Revenues and Other Sources over/under Expenditures & Other Uses | (813,031) | | 391,198 |
| Fund Balance - July 1, 2007 | <u>1,124,864</u> | <u>502</u> | |
| Fund Balance - June 30, 2008 | \$ <u>311,833</u> | <u>502</u> | <u>391,198</u> |

The notes to the financial statements are an integral part of t

| | | Groups | Total |
|-------------------------------|--------------------------------------|---------------------------------------|----------------------|
| <u>Debt</u> <u>Service</u> | <u>Building</u> <u>& Site</u> | <u>General</u> <u>Fixed Assets</u> | (Memorandum Only) |
| | | | 649,192 |
| | | | 44,920 |
| | | | 302,219 |
| 2,652 | | | 29,872 |
| | | | 18,400 |
| | | | 116,232 |
| | | | 120,596 |
| | | | 77,990 |
| | | | 55,334 |
| <u>2,652</u> | | | <u>1,414,755</u> |
| | | | 275,932 |
| | | | 2,481 |
| | | | 129,209 |
| | | | 2,236 |
| | | | 37,471 |
| | | | 386,301 |
| | | | 129,583 |
| | | | 29,102 |
| 19,951 | | | 19,951 |
| <u>135,638</u> | | | <u>135,638</u> |
| <u>155,589</u> | | | <u>1,147,904</u> |
| (152,937) | | | 266,851 |
| 336,049 | | 505,572 | 1,302,961 |
| | | | (1,302,961) |
| 183,112 | | 505,572 | 266,851 |
| | <u>168,000</u> | <u>2,915,811</u> | <u>4,209,177</u> |
| <u>183,112</u> | <u>168,000</u> | <u>3,421,383</u> | <u>4,476,028</u> |

Whiteford Township
Combined Statement of Revenues Received, Expenditures Paid and Changes in Fund Balances
Budget and Actual - General and Special Revenue Funds
Year Ended June 30, 2008

| <u>General Fund</u> | | | |
|-------------------------|-------------------|------------------|--|
| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
| Revenues Received | | | |
| Property taxes | \$ 199,000 | 268,748 | 69,748 |
| Licenses and permits | 61,500 | 44,920 | (16,580) |
| State revenue sharing | 300,000 | 302,219 | 2,219 |
| Interest and penalties | 12,000 | 17,543 | 5,543 |
| Cemetery fees | 18,000 | 18,400 | 400 |
| Services and other | 57,000 | 111,345 | 54,345 |
| Restricted gifts - park | | 120,596 | 120,596 |
| Sand & stone removal | 71,000 | 77,990 | 6,990 |
| Collection fees | <u>53,000</u> | <u>55,334</u> | <u>2,334</u> |
| Total Revenues Received | \$ <u>771,500</u> | <u>1,017,095</u> | <u>245,595</u> |

The notes to the financial statements are an integral part of this statement.

| <u>Special Revenue Funds</u> | | | <u>Debt Retirement</u> | | |
|------------------------------|----------------|---|------------------------|---------------|---|
| <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
| 419,526 | 378,372 | (41,154) | | | |
| | 9,677 | 9,677 | | 2,652 | 2,652 |
| | 4,887 | 4,887 | | | |
| <u>419,526</u> | <u>392,936</u> | <u>(26,590)</u> | <u>0</u> | <u>2,652</u> | <u>2,652</u> |

Whiteford Township
Combined Statement of Revenues Received, Expenditures Paid and Changes in Fund Balances
Budget and Actual - General and Special Revenue Funds
Year Ended June 30, 2008

| | General Fund | | |
|--|--------------|-------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) |
| Total Revenues Received | \$ 771,500 | 1,017,095 | 245,595 |
| Expenditures Paid | | | |
| Operating | 155,000 | 141,611 | 13,389 |
| Supervisor | 43,000 | 39,012 | 3,988 |
| Clerk | 37,000 | 35,224 | 1,776 |
| Treasurer | 44,000 | 42,912 | 1,088 |
| Board of Review | 1,500 | 990 | 510 |
| Zoning and planning | 15,000 | 2,481 | 12,519 |
| Legislative | 30,000 | 29,102 | 898 |
| Assessing | 62,000 | 58,488 | 3,512 |
| Professional | 32,000 | 30,991 | 1,009 |
| Cemetery | 20,000 | 37,471 | (17,471) |
| Building inspection | 40,000 | 39,678 | 322 |
| Street lights | 9,600 | 8,975 | 625 |
| Repairs & maintenance | 6,000 | 7,261 | (1,261) |
| Drains at large | 5,000 | | 5,000 |
| Recreation | 10,000 | 2,236 | 7,764 |
| Fire protection | 8,000 | 26,461 | (18,461) |
| Law enforcement | 27,000 | 24,272 | 2,728 |
| Road Maintenance | | | |
| Debt Service Principal | | | |
| Debt Service Interest | | | |
| Total expenditures paid | 545,100 | 527,165 | 17,935 |
| Excess Revenues - (Expenditures) | 226,400 | 489,930 | 263,530 |
| Transfers from other funds | | | |
| Transfers to other funds (Note 3) | (1,302,961) | (1,302,961) | |
| Excess Revenues and Other Sources over/ under Expenditures and Other Uses | (1,076,561) | (813,031) | 263,530 |
| Fund Balance - July 1, 2007 | 1,124,864 | 1,124,864 | |
| Fund Balance - June 30, 2008 | \$ 48,303 | 311,833 | 263,530 |

The notes to the financial statements are an integral part of this statement.

| Special Revenue Funds | | | Debt Retirement | | |
|-----------------------|----------|--|-----------------|-----------|--|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| 419,526 | 392,936 | (26,590) | | 2,652 | 2,652 |
| 77,000 | 76,777 | 223 | | | |
| 437,000 | 386,301 | 50,699 | 136,000 | 135,638 | 362 |
| | | | 20,000 | 19,951 | 49 |
| 514,000 | 463,078 | 50,922 | 156,000 | 155,589 | 411 |
| (94,474) | (70,142) | 24,332 | (156,000) | (152,937) | 3,063 |
| 461,340 | 461,340 | | 336,049 | 336,049 | |
| | | | | | |
| 366,866 | 391,198 | 24,332 | 180,049 | 183,112 | 3,063 |
| 366,866 | 391,198 | 24,332 | 180,049 | 183,112 | 3,063 |

Whiteford Township
Combined Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2008

| | Balance July 1, 2007 | Additions | Deductions | Balance June 30, 2008 |
|----------------------|-------------------------|------------------|------------------|--------------------------|
| Assets | | | | |
| Cash in bank | <u>\$ 61,868</u> | <u>5,772,148</u> | <u>5,785,599</u> | <u>\$ 48,417</u> |
| Liabilities | | | | |
| Due - Other Funds | 4,528 | 645,980 | 650,508 | |
| Due - County & State | 31,070 | 2,867,655 | 2,850,308 | 48,417 |
| Due - Schools | <u>26,270</u> | <u>2,258,513</u> | <u>2,284,783</u> | |
| | <u>\$ 61,868</u> | <u>5,772,148</u> | <u>5,785,599</u> | <u>\$ 48,417</u> |

The notes to the financial statements are an integral part of this statement

Whiteford Township
Notes to Financial Statements
June 30, 2008

1) **Summary of Significant Accounting Policies**

Basis of Accounting

The cash basis of accounting is followed by all funds.

Basis of Presentation: Fund Accounting

The accounts of Whiteford Township are organized on the basis of funds and account groups, each of which is a separate entity with its own self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. Resources are accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities. Whiteford Township uses the following generic fund types in its activities.

Governmental Fund Types

General Fund

The general operating fund of the Township accounts for all financial resources that are not required to be accounted for in the specific revenue funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including principal, interest and related costs.

Building & Site Funds

The Building & Site Fund is used to account for financial resources designated for future property acquisitions.

Whiteford Township
Notes to Financial Statements (Continued)
June 30, 2008

Fiduciary Fund Type

Trust and Agency Funds

Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for other funds and/or other governments. These include Expendable Trust and Agency Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

General Fixed Assets

General fixed assets purchased are recorded as expenditures in the (applicable fund) at time of purchase. Such assets are capitalized at cost or estimated cost in the general fixed assets group of accounts except for certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.

No depreciation has been provided on general fixed assets.

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from government funds.

Cash Deposits

At June 30, 2008 the carrying amount of the Township's cash deposits were \$ 1,111,832 all of which were in bank certificates of deposit and operating accounts. \$ 200,000 of these funds were covered by federal deposit insurance and Michigan law does not require collateralization of governmental deposits.

In October, as a result of the Emergency Economic Stabilization Act of 2008, FDIC deposit insurance limits were temporarily increased to \$250,000 per account, until December 31, 2009.

Total Columns on Combined Statements - Overview

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

Whiteford Township
Notes to Financial Statements (Continued)
June 30, 2008

2) Changes in Fixed Assets

The following is a summary of changes in the general fixed assets account group for the fiscal year:

| | Balance 6/30/07 | Additions | Deletions/ Retirements | Balance 6/30/2008 |
|------------------------------|---------------------|----------------|---------------------------|----------------------|
| Land | \$ 189,849 | 350,424 | | \$ 540,273 |
| Building | 1,427,288 | 7,392 | | 1,427,288 |
| Equipment | 460,373 | 147,756 | | 467,765 |
| Vehicles | 838,301 | | | 986,057 |
| Total General Fixed Asset | <u>\$ 2,915,811</u> | <u>505,572</u> | <u>0</u> | <u>\$ 3,421,383</u> |

Additions to General

Fixed Assets:

From General Fund \$ 505,572

3) Interfund Receivables, Payables, and Operating Transfers

Individual fund interfund receivables and payables.

| | Interfund Receivables | Interfund Payables |
|--------------------|--------------------------|-----------------------|
| General Fund | | \$ 502 |
| Special Assessment | \$ 502 | |
| | <u>\$ 502</u> | <u>\$ 502</u> |

Total interfund net operating transfers for the fiscal year ended June 30, 2008 were as follows:

| | Transfer In | Transfer Out |
|--|---------------------|---------------------|
| General Fund | | \$ 1,302,961 |
| Special Revenue Fund - Road Fund/Fire Fund | \$ 461,340 | |
| Debt Retirement | 336,049 | |
| General Fixed Asset Account Group | 505,572 | |
| | <u>\$ 1,302,961</u> | <u>\$ 1,302,961</u> |

Whiteford Township
Notes to Financial Statements (Continued)
June 30, 2008

4) Notes Payable & Commitment

The township has entered into \$ 276,366 of contracts for certain road improvements to be funded through a county road commission bonding. The township has contractually effectuated unsecured notes with the county road commission to pay interest semiannually and principal annually on these notes.

| <u>Fiscal Year ' Ending</u> | <u>Principal Due</u> | <u>Interest Rate Per Annum</u> |
|-------------------------------------|--------------------------|--|
| 6/30/2009 | 65,000 | 3.63% |
| 6/30/2010 | 65,000 | 3.88% |
| 6/30/2011 | 65,000 | 4.00% |
| 6/30/2012 | 65,000 | 4.00% |
| 6/30/2013 | <u>64,975</u> | 4.00% |
| Total | <u>324,975</u> | |

Finance Lease - dated September 28, 2004, \$271,492 original amount, annual installments of \$76,776.87 including interest at 5.12% per annum, due March 15, secured by 2004 American LaFrance Pumper Fire Truck.

Debt matures as follows: Deferred Interest Portion

| | | |
|---------------------------|----------------|------------------------------|
| March-09 | <u>73,630</u> | <u>3,146</u> |
| Total Lease Payments | <u>73,630</u> | <u>3,146</u> |
| Total Notes/Lease Payable | <u>398,605</u> | <u>401,751</u> with interest |

5) Commitments & Subsequent Events

The township has entered into \$ 276,366 of future road and maintenance contracts. In August 2004 the township voters approved a 1 mil road maintenance & improvements levy and a 1 mil fire protection levy for the fiscal years through the year 2008. For the year 2008 of such levy, 1 mil raises approximately \$ 205,221. As stated in note 4 above, to provide additional funds for these commitments, the township has entered into \$ 324,975 of unsecured notes to the county road commission payable over ten years.



116 WEST ADRIAN STREET • BLISSFIELD, MICHIGAN 49228 • (517) 486 - 4371 • FAX (517) 486 - 4372

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of
Whiteford Township

We have audited the general purpose financial statements of Whiteford Township, as of and for the year ended June 30, 2008, and have issued our report thereon dated November 28, 2008.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Whiteford Township, is the responsibility of the Township's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Township's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Whiteford Township complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Township has not complied, in all material respects, with those provisions.

This report is intended for the information of the Township Board, management, and the Department of Treasury. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

David W. Walters, PC

November 28, 2008



116 WEST ADRIAN STREET • BLISSFIELD, MICHIGAN 49228 • (517) 486 - 4371 • FAX (517) 486 - 4372

Board of Trustees
Whiteford Township
Monroe County, Michigan

We have audited the general purpose financial statements of Whiteford Township for the year ended June 30, 2008, and have issued our report thereon dated November 28, 2008.

We have conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of Whiteford Township, for the year ended June 30, 2008, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The Township officials are responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

We did not find any matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in

the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

In addition to the above comment concerning internal control we also have the following comment:

1. Cash deposited at one financial institution in excess of \$250,000 on demand deposits and \$250,000 in savings and C.D.'s will not be covered by FDIC insurance, therefore, additional or full coverage could be retained through investing Township funds in additional institutions.

This report is intended solely for the information and use of the Whiteford Township Board, management, and others within the administration. If any questions arise concerning our recommendations or the implementation thereof, we would be pleased to assist in what ever capacity you may require.

We sincerely thank the Whiteford Township officials for their excellent assistance and cooperation in the conduct of the audit. Thank you for the opportunity to provide these services to the Whiteford Township.



David W. Walters, PC

November 28, 2008